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DISCOVER  
*Kalispell*  
MT

FY25  
DMO PLAN





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# WHO WE ARE

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**Kalispell** is an unfiltered mountain town that remains true to itself. Kalispell is a place that believes in living with intention, supporting one another and making the most of every day. It's a place that accepts you as you are and encourages intentional exploration, all while soaking up fresh mountain air, playing on our glacial-fed waters, tasting Montana's culinary offerings and rubbing elbows with the locals.

In Kalispell **VentureBOLDLY** is our mantra, it's a call that grounds us in and to this beautiful corner of the world we call home. To truly understand what venture boldly means in Kalispell, we invite you to learn more about its three-pronged definition:

**Intention** – Our roots and traditions run deep. We live with intention and make bold moves with a firm understanding of who we are, where we come from and how we'll grow.

**Stewardship** – As residents of Montana, we serve as stewards of this special place. Whether you're here for a minute or a month, we ask visitors to be mindful of the impact they have on this place, from public lands to local businesses.

**Stronger Together** – As with anything in life, we know we're better together. Kalispell is a place for dreamers, makers, doers, creators and intrepid spirits to live fully and boldly embrace adventures. A community known for coming together to solve problems, putting collective energy around getting things done.



**Discover Kalispell** is a Destination Marketing and Destination Stewardship organization, dedicated to fostering a vibrant year-round tourism industry through a community-centric approach. We are committed to actively engaging in a collaborative, multi-stakeholder effort to preserve the rich cultural heritage and environmental vitality of Kalispell.

# STRENGTHS

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- ★ The Parkline Trail, a two-mile linear trail through downtown and connecting to the Great Northern Rail Trail has spurred redevelopment in the downtown core, adding to the goal of 18-hour vibrancy and walkability throughout the heart of the city.
- ★ The City of Kalispell saw 1,180 new residential units constructed between 2022 and 2023 with 79% of those units multi-family, improving the availability of attainable and workforce housing.
- ★ Kalispell is home to the Conrad Mansion Museum, Hockaday Museum of Art, Northwest Montana History Museum, Wachholz College Center, Glacier Symphony and Chorale, art galleries, street art, juried arts & crafts shows and events.
- ★ The Wachholz College Center, a performing arts center located at the Flathead Valley Community College, includes a 1,000-seat auditorium, lecture hall and flexible event space. The center has featured a star-studded line up of year-round national-caliber performances and events.
- ★ Glacier Range Riders, a Pioneer league baseball team playing at Glacier Bank Park in Kalispell.
- ★ Kalispell is in the center of iconic natural landmarks: 32 miles from the entrance to Glacier National Park, 10 miles to Flathead Lake, and surrounded by 2 million acres of Flathead National Forest. Eleven state parks in the valley provide trails, interpretative visitor services, and water-based activities.
- ★ Kalispell's Glacier Park International Airport ranked #3 in boardings for airports in Montana in 2023. GPIA saw a total of 455,837 enplanements, an 8.4% increase over 2022. Residents and visitors have more options for business or leisure travel through increased seat capacity year-round. GPIA is undergoing a \$150 million terminal expansion to handle increased traffic over the next 20 years. Phase 1 of the new terminal opened in March 2024. Glacier AERO, a non-profit organization represented by Flathead Valley business and tourism industries, serves to increase winter and year-round flights through revenue guarantees and other partnerships with the airlines.
- ★ Logan Health is the region's independent healthcare system. 2023 saw the merger of Logan Health and The Billings Clinic creating a state-wide health system for Montana.
- ★ Workforce Flathead, led by the Discover Kalispell Chamber convenes students, job seekers, educators and employers to support the jobs of today and grow jobs for the future including for the travel and hospitality sector. Additionally, the Chamber-led Childcare Action Steering Council launched four childcare action teams resulting in identifying 500+ childcare slots over the next two years.



# OPPORTUNITIES

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- ★ As the regional trade center for northwest Montana, Kalispell is holding steady as the 6th fastest growing micropolitan city in the U.S. A measurement of factors that show Kalispell is well-positioned for long-term sustainable economic strength. Moderate growth continues in healthcare, advanced manufacturing and tourism.
- ★ Discover Kalispell and the Discover Kalispell Chamber function as one organization, each working to support the local economy, community vitality, business and industry. We serve to Venture Boldly while remaining Future Ready, assuring Kalispell is well-positioned for long-term sustainable economic strength.
- ★ New indoor and outdoor sports venues came online in 2023 and additional indoor facilities are scheduled to break ground in 2024. With the increase in available venues Discover Kalispell can increase sales efforts to recruit adult and youth sports tournaments.
- ★ Community development priorities include improved ground transportation to lessen traffic congestion particularly during the peak season. Visitors need options to get from the airport to city centers, to lodging and to Glacier National Park.



# CHALLENGES

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## TRAVEL AND HOSPITALITY INDUSTRY:

- ★ Visitation patterns in northwest Montana have shifted since the pandemic, summer months now have available lodging capacity. Visitation trends can be impacted by the U.S. economic conditions, travel costs, and local factors such as GNP vehicle reservation system and climate conditions such as low snow levels this winter.
- ★ Hotel lodging demand in Kalispell decreased 3% during 2023, and 10% since 2021. RevPAR had seen steady growth since 2021 based on solid occupancy and strong ADR. The recent double-digit drop in occupancy has created a decrease in revenue Jan-Mar 2024. Booking for the late spring and summer are trending lower than normal, shorter planning windows may attribute to that trend. (STR)
- ★ Short term rental inventory in Kalispell and Flathead County experienced a fourth year of increase during 2023, which impacts hotel demand. Although short term rental inventory continues to build, 2024 data shows a slowing with a decrease in OCC, ADR and revenue. Supply may have surpassed current demand. (AirDNA)

## NORTHWEST MONTANA:

- ★ 2023 saw adjustments to the business market, primarily with increasing interest rates and construction costs prompting a slowing in commercial and single-family developments.
- ★ Glacier National Park has continued the vehicle reservation pilot system for summer of 2024. Separate vehicle reservations are now required for the west side of the Going-to-the-Sun Road, North Fork/Polebridge entrance and Many Glacier areas of the park, May 26 - September 8, 2024, 6am – 3pm.
- ★ Climate conditions continue to become more unpredictable and severe creating challenges when promoting outdoor recreation and outdoor sports and events. Seasonal weather impacts include low snowpack, wildfires and unhealthy air quality, low water levels impacting water recreation on Flathead Lake and fisheries throughout the region. Outdoor recreation plays an important role as a driver of visitations for Kalispell and northwest Montana. As climate events become more frequent and severe, the need for product development to attract and retain visitors becomes greater.
- ★ Aquatic Invasive Species post a threat to the Flathead Basin waterways. Introduction of non-native species disrupts the balance of native ecosystems threatening the recreation viability in our area. Discover Kalispell will continue to support FWP's communications of Clean, Drain and Dry and watercraft inspection stations.





# VIBRANT DOWNTOWN





# DISCOVER KALISPELL'S STRATEGIC ROLE IN FY25

A strategy to build economic vitality through tourism balanced with community stewardship and development.

We acknowledge that while promoting destinations remains a cornerstone for DMOs, it's equally vital to address the challenges posed by community growth. Discover Kalispell is committed to integrating destination stewardship, management, and development efforts to not only support local businesses but also ensure sustainable growth and prosperity for our mountain community and tourism economy.

*MMGY Next Factor* identified a broad mandate for the role of a DMO. A DMO serves to facilitate community alignment, government relations and advocacy, sustainability, social inclusion and belonging, economic workforce and development and resident engagement and support.

In this marketing plan, it is evident that Discover Kalispell's mandate is also centered on fostering balanced and strategic destination marketing initiatives. Our priority lies in preserving the heritage and cherished way of life for residents, while also actively participating in conservation efforts for open spaces. Moreover, we aim to safeguard the Montana tourism industry from funding disruptions and counter any misrepresentation of tourism's value to northwest Montana.





# DESTINATION MARKETING

## 55% OF ORGANIZATIONS'S OPERATIONS

Integrated approach to paid, earned and owned media to promote year-round travel, emphasizing winter, unique Kalispell experiences, local businesses, and Go With A Guide to assure responsible recreation.

- ★ Increase visibility and engagement with target audiences through various digital advertising channels.
- ★ Build awareness of Kalispell as a destination for sports and group events through targeted media.
- ★ Develop comprehensive campaigns in direct flight markets, prioritizing flights that run outside of the June-Labor Day timeframe.
- ★ Implement retargeting strategies within evergreen campaigns to re-engage with users who have previously interacted with the brand.
- ★ Utilize AI-powered platforms to optimize advertising and target relevant audiences.
- ★ Maintain and enhance DiscoverKalispell.com to provide engaging content, easy to use trip planning tools, and resources for business development marketing.



# DESTINATION STEWARDSHIP/ MANAGEMENT

## 15% OF ORGANIZATIONS'S OPERATIONS

- ★ **Visitor Services:** Develop visitor services appropriate to today's consumer. Use online resources, AI tools, and local partners to disseminate visitor resources to promote Kalispell as a destination and promote TBID and Chamber member businesses.
- ★ **Community Development Grants:** Foster community engagement and the beautification and vitality of Kalispell through utilization of Discover Kalispell's Community Development Grant funding.
- ★ **Crisis Communication:** Continue to build relationships with partners to deliver accurate, up-to-date information seamlessly to locals and visitors during crises such as wildfires, smoke, floods, and low water levels.
- ★ **Accessibility:** Grow Discover Kalispell's accessibility resources by being better informed as to what Kalispell has and needs to accommodate travelers with accessible limitations. Help inform local businesses to improve accessibility resources.
- ★ **Workforce Development:** Educate and build resources about Kalispell and Discover Kalispell to provide to businesses in the Flathead area, particularly those with front desk or customer service operations.



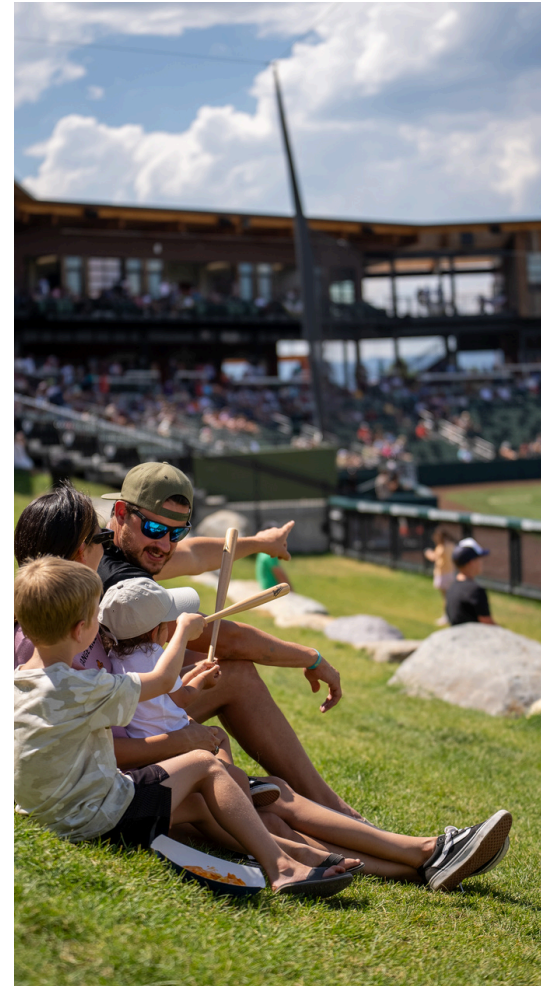


# DESTINATION DEVELOPMENT (BUSINESS DEVELOPMENT/SALES)

## 30% OF ORGANIZATIONS'S OPERATIONS

Secure new destination events, sports tournaments, and meetings and conventions. Bring additional tour operator and small group business to Kalispell, spreading those room nights amongst a greater number of TBID properties.

- ★ Develop a marketing and sales plan to grow sports tourism working cooperatively with current and future sports venues and clubs.
- ★ Continue to build connections and secure booked business in the military reunion, government and association segments.
- ★ Drive continued growth in the M&C segment securing RFP's for group events strategically maximizing the utilization of convention space within TBID conference hotels and other large venues.
- ★ Attend trade shows to connect with organizers of events, sport and group business, targeting tour operator, meeting planner and sports shows that provide direct contact with planners.
- ★ Outreach to the local business community to solicit and incentivize leads for group business through the Bring Your Meeting Home to Kalispell program.



# DEFINE OUR AUDIENCE

## WHO WE WISH TO ATTRACT - DEFINITION OF DISCOVER KALISPELL'S HIGH-VALUE VISITOR:

### VISITORS WHO:

- ★ Who stay more than one night in Kalispell.
- ★ Who are Interested in fall, winter and spring travel.
- ★ Who are respectful of natural resources and strive to recreate responsibly.
- ★ Who are interested in local restaurants, craft beverages and shopping.
- ★ Who seek adventures outside of the heavily traffic activities and recreation areas.
- ★ Who are seeking sporting events, destination events and accessible travel resources.
- ★ Who are business travelers.
- ★ Who are group travelers - meeting plannings, domestic and international tour trade, other group travel such as reunions, incentive travel and niche interest groups.

## WHO IS THE CURRENT KALISPELL VISITOR?

- ★ Mobile location and credit card data informs Discover Kalispell's seasonal evergreen and retargeting campaigns.

## 2023 NON-RESIDENT VISITORS THAT STAYED AT LEAST ONE NIGHT IN KALISPELL:

- ★ 2,700,000 visitors
- ★ Average group size - 2.5; average age 52
- ★ Top U.S. geographic markets of origin: WA, FL, MN, CO, UT, IL, ID, AZ, WI, TX
- ★ 52% of travel groups had no first time visitors





## TOP ORIGIN MARKETS TO KALISPELL IN 2023:

<u>MARKETS</u>	<u>% OF TOTAL DEVICES</u>
Spokane	13.3%
Missoula	10.7%
Great Falls	6.3%
Seattle	5.4%
Salt Lake City	4.7%



## SPENDING BY CATEGORY (% OF TOTAL SPEND):

- |                           |  |
|---------------------------|--|
| 1. Food - 42.2%           | 4. Gas & service stations - 8.9%       |
| 2. Retail - 20.9%         | 5. Transportation - 6.0%               |
| 3. Accommodations - 17.1% | 6. Outdoor Recreation - 1.6% (Zartico) |

## VISITOR CREDIT CARD SPENDING IN KALISPELL FOR 2023

- ★ Credit card spending by domestic non-resident visitor was \$218 Million, a 4.5% decrease YOY.
- ★ Credit card spending by international visitors equaled \$15 Million, a 28% increase YOY. 93% of that spending was by Canadian visitors.

## TOP SPEND IN KALISPELL BY DOMESTIC CMAS:

- Q1: Missoula, Seattle, Salt Lake City, Bozeman, Helena
- Q2: Missoula, Seattle, Phoenix, Los Angeles, Bozeman
- Q3: Missoula, Seattle, Los Angeles, Phoenix, Bozeman
- Q4: Missoula, Seattle, Bozeman, Los Angeles, Helena, Spokane (Visa Destination Insights)

## EMERGING MARKETS

- ★ Leisure - direct flight markets (new and flights with increased seat capacity): Dallas, Burbank/LA area, San Diego, and Sonoma County.
- ★ Sports Tourism – with an increasing number of indoor and outdoor sports facilities in our area Discover Kalispell is placing an increased focus on attracting youth and adult sports and adventure events.
- ★ Groups – segments looking for unique venues and experiences.

# WHAT RESEARCH SUPPORTS THE DMO STRATEGY

Refine the strategy to focus on boosting tourism during the fall, winter, and spring seasons, backed by data on occupancy rates and resident sentiment. This data reveals untapped potential to draw more visitors beyond the peak season. While emphasizing promotions for shoulder season visitations, it's important to note a decline in summer occupancy, highlighting the need for continuous destination marketing and sales efforts throughout the year.

★ Kalispell average annual occupancy (2023): 58%

★ Average occupancy June-September (2023): 78%

★ Average occupancy October – May (2022-2023): 48%

Flathead County has over 12,000 jobs supported by nonresident travel (ITRR 2022). While shoulder season promotions are prioritized, the decrease in occupancy during the summer months indicates the necessity for year-round destination marketing and business development initiatives.

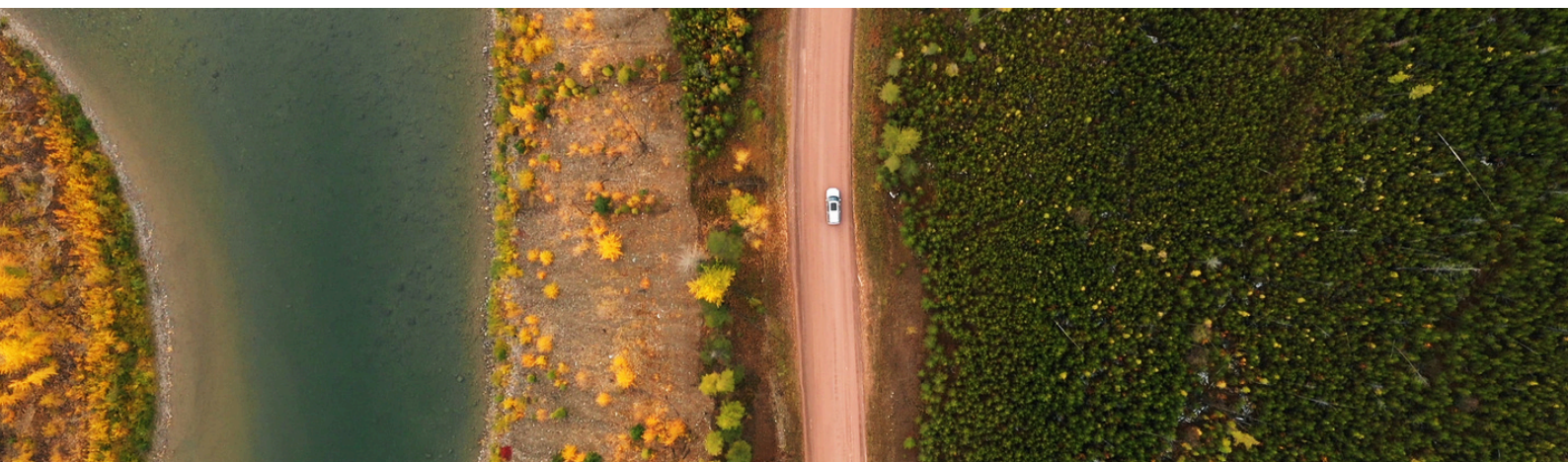
## MONTANA TRAVEL AND RECREATION RESEARCH

The Montana resident attitudes interactive data shows that residents want a balanced approach towards tourism in the state. Flathead County residents recognize that while overall benefits outweigh the negative (49% agree), only 22% agree that if tourism increases in Montana the overall quality of life for residents will improve.

The Montana Travel Experience Survey of nonresidents shows that the trip planning window continues to decrease. 1-4 weeks ranks high as a time frame to start planning route and sites to visit. Planning activities is primarily done less than 1 week before the visit.

In that same study, repeat visitors to Montana had a positive response to changes of flourishing downtowns, increased amenities and better roads and signage. But those visitors were dismayed at the increase in travel costs, crowds, and wildfire smoke and adverse weather conditions in MT.

(Institute for Recreation Research at the University of Montana)





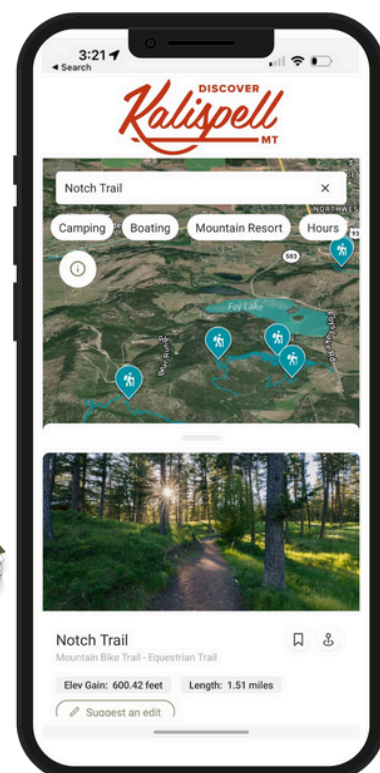
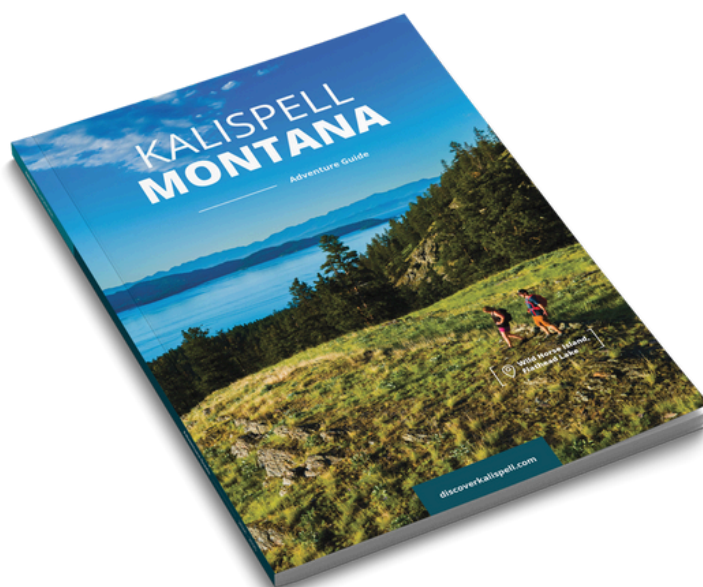
## TOURISM DIGITAL MARKETING TRENDS

- ★ Most Facebook videos are watched without sound, highest reach have text overlay.
- ★ Use stories that link to your website, tell a story and have a min of 4 slides.
- ★ 118.3 million leisure travelers (78% of all leisure travelers) participate at some level in cultural and heritage activities while on their leisure trip.
- ★ Most U.S. adults use YouTube and Facebook, about half use Instagram.
- ★ Most popular from greatest to least: YouTube, Facebook, Instagram, Pinterest, TikTok.
- ★ The best opportunity for video engagement is less than 1 minute.
- ★ Facebook recommends keeping videos to around 15 seconds, research shows 47% of the value in a video is delivered in the first 3 seconds.
- ★ Instagram videos that average 26 seconds receive the most comments.
- ★ Viewers want storytelling within 7-15 seconds, as well as video series to follow.

(Dave Serino, TwoSix Digital)

### INCREASED COST OF PAID MEDIA (CPM) AND COST PER ACQUISITION (CPA) REQUIRES A LARGER MEDIA BUDGET FOR DMO'S TO REMAIN COMPETITIVE.

- ★ Global digital advertising spend has increased 10.6% since 2022 and 18.9% since 2021. (Meltwater)
- ★ Dentsu Global Ad Spend states that what's driving the increase in spend is economic stabilization, digital innovation and cyclical occurrences such as elections.
- ★ Between 2022 and 2023 the ad buy on Meta increased by 61%, Google programmatic display by 75%, search ads by 14%. As CPM increases it drives up CPA. (LinkedIn Digital Advertising Prices)



## U.S. MARKET REVIEW - TRAVEL DEMAND

Despite recent slowing, growth trends largely continue across sectors:



- ★ U.S. domestic leisure: Trips have fully recovered to 2019 levels, though growth has decelerated due to tighter credit conditions and the restarting of student loan payments.
- ★ Modest lodging demand growth in the U.S. will be supported by household prioritization of travel, a continued rebuilding of business travel and group events, and a rebound in international visitation.
- ★ The latest STR/Tourism Economics lodging forecast expects RevPAR in the U.S. to grow 4.1% in 2024, moderately slower than 2023 (4.9%), with an expected 3.1% gain in ADR.
- ★ International inbound: Pre-pandemic levels are not expected to return until 2025 as the strong dollar and visa wait times continue to pose challenges, but 2023 ended with international visitation at 84% of 2019 levels. The U.S. is experiencing a highly unusual travel trade surplus with outbound travel outpacing inbound travel.
- ★ Travelers still feel generally optimistic about their financial circumstances—especially in comparison to the average American adult—and remain financially committed to travel.
- ★ A recent Longwoods International study reports 26% of travelers say financial concerns will greatly impact their decision to travel within the next six months—emphasizing the importance of value perception especially among lower-income earners.

(Tourism Economics, STR, Future Partners, Longwoods International)





# WINTER WONDERLAND





# GOALS, TACTICS & OBJECTIVES

1

**Goal:** Increase visitation to meet the needs of Kalispell's visitor distribution goals of seasonality, niche markets and diverse audiences.

**Tactics:** Targeted campaigns promoting fall, winter and spring travel, niche activities and inclusivity using paid media, website marketing, owned media and digital asset acquisition.

**Objective:** Create 6 new short form videos for organic and creative storytelling. Utilize retargeting strategies within DK seasonal evergreen campaigns to re-engage users linking them to Instagram and DK trip planning tools.

2

**Goal:** Tourism sales initiatives to attract sports, events, group travel, tour trade, and meetings and convention segment bookings.

**Tactics:** Attend trade shows for direct contact with planners, host FAMs, conduct out-of-market sales calls and client events and produce sales and promotion collateral and resources.

**Objectives:** Execute 20 sales calls or client events. Produce 2 videos to use in group and sports tourism sales promotions. Award incentive grant funding to secure large group events.

3

**Goal:** Enhance destination storytelling through earned media.

**Tactics:** Host travel media to achieve earned media in targeted publications, websites and social media. Select journalists that are on assignment or have ability to pitch for quick turnaround, or influencers with adequate following. Articles and posts should be designed to promote the travel season during which they were hosted.

**Objective:** Host two travel media events in FY25 during fall, winter or spring, with itineraries that highlight Kalispell's unique activities and assets that are available to visitors.

4

**Goal:** Encourage residents and visitors to travel and recreate responsibly and respectfully. Align visitor education programs with community values.

**Tactics:** Deploy educational resources to visitors through owned and sponsored media channels. Support messaging that is important to community stakeholders and land managers. Offer seamless crisis communication services to both locals and visitors.

**Objectives:** To educate visitors on Leave No Trace and responsible recreation principles, schedule a minimum of one post per month on each DK social media channel, utilize DK's Treat it Like Grandma's House reels and promote opportunities for volunteer and guided experiences.



5

**Goal:** Develop visitor services that align with leading trip planning and booking trends, enhancing opportunities for an exclusive and genuine travel adventure.

**Tactics:** Increase connection with visitors beyond the traditional VIC services during the trip planning phase and when in-market. Use online resources, AI tools and local partners to disseminate visitor resources and promote member businesses.

**Objective:** Deliver visitor guides, Flathead Valley maps, informational displays to partners including hotels, shops, restaurants, airport and rental cars. Use trackable (paid) QR codes to gauge ROI.

6

**Goal:** Be engaged in destination, product and experience development that benefits residents and visitors.

**Tactics:** Provide grant funding for new and expanding events that generate room nights stays in Kalispell and for community/visitor asset development projects.

**Objective:** Employ community outreach programs to identify partners that can execute two new community asset development projects.

7

**Goal:** Support tourism workforce development and hospitality training.

**Tactics:** Provide resources to local businesses for hospitality guest services training. Partner with Kalispell Public Schools and Workforce Flathead to promote hospitality jobs.

**Objective:** Create and distribute a Kalispell visitor resource book to assist front desk staff to relay important, up-to-date and accurate information to visitors.

8

**Goal:** Be an active partner on initiatives for natural resource sustainability.

**Tactics:** Partner with local organizations such as Flathead Lakers, Flathead River Alliance, Flathead Trails Association and FWP to support conservation projects related to visitor amenities and visitor impacts.

**Objective:** Champion two projects led by local natural resource groups through sponsorships, messaging, and volunteering.

# DISCOVER KALISPELL STRUCTURE & TEAM

Discover Kalispell, the Kalispell Convention & Visitor Bureau, is a division of the Discover Kalispell Chamber. Discover Kalispell is funded through two contracts with public agencies and generates private funds through event registration fees and sponsorships. The Chamber has contracted with the State of Montana for Kalispell's share of the lodging facility use tax since 1987. In 2010, the Kalispell Chamber/CVB assumed administration of the Kalispell Tourism Business Improvement District (TBID) under an agreement with the City of Kalispell and Kalispell hoteliers. The Kalispell TBID district is currently authorized to 2030.

The FY25 Discover Kalispell DMO plan serves to direct the initiatives and spending for Discover Kalispell and inform and educate the Kalispell Chamber and TBID board of directors, community stakeholders, Tourism Advisory Council, City of Kalispell and the state legislature. Kalispell's two funding sources, Bed Tax and TBID, work collaboratively to facilitate the annual DMO plan.

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## THE DISCOVER KALISPELL TEAM

President/CEO Discover Kalispell Chamber: **Lorraine Clarno**,  
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